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CONGRESSIONAL RECORD — APPENDIX

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For the reasons suggested above, it is perhaps desirable to avoid the notion of a subsidy in terms of cash paid out and think in terms of a welfare state. The evidence of the welfare state are actions by the Government designed to improve the economic position of specific groups or classes of the population. All actions of the Government, in fact, fall in this category. The promotion of public health, education, and the maintenance of order and tranquility are all costly activities of Government which directly benefit the public. We think of the welfare state as one which is interested in specific activities for specific groups of people, and, sometimes, as in the case of graduated taxation, to the economic detriment of other groups. The attempts of the Government to achieve a leveling off process both in individual incomes and in human welfare benefits some and penalizes others. The activity of the welfare state includes not only cash paid out to individuals, but also the levying of tariffs, the creation of stockpiles for surplus products either by the Defense Department or in the Department of Agriculture, marketing agreements, and the like. Perhaps it is desirable to list some of the specific activities which seem to fall in this category.

At the head of such a list certainly one finds the graduated income tax. Older, however, and more important in its time, was the protective tariff. Activities under the antitrust laws also fall in the welfare category. Of the more recent devices, the following come quickly to mind: Bank deposit insurance, the conservation of natural resources, transportation subsidies, school-lunch programs, Government assistance through charitable organizations, price-supports for farmers, defense stockpiles, allocation of defense contracts to job deficit areas, old-age and survivors pensions, minimum-wage laws, job insurance and separation pay, and labor legislation giving unusual privileges to unions.

It is not the purpose to evaluate these programs. It is only proposed to show their antiquity, on the one hand, and more recently the extent of the activities of the welfare state both in direct subsidies and in other programs with similar objectives.

Virtually every person in the population of the United States would seem to be a receiver of benefits, from one or more of these activities. The entire nation, in one way or another, is affected by the various programs, whether for industry, for labor, for the young, for the aged, or for agriculture. It seems inappropriate, under a condition where activities of this nature have gained such wide acceptance as in the United States, that the public, through its legislators, should withdraw from support of any group unless that program had failed in its objective, or an improved program was conceived. Who in the United States has the right to say of another, "You get too much."

The program for support of farm prices was designed to improve individual incomes in agriculture. It was also designed to equalize farm and non-farm

incomes and to create agricultural purchasing power, thereby improving the market for goods produced by others. There were no important failures. Until better programs have been proved, farm price supports have justified their position in the welfare state. They should be reexamined and amended to keep them abreast of the changing facts of the world, but they should not be abolished.

The programs for price supports for farm products have, in fact, contributed much more to public welfare than was planned in the original objectives. Through distribution programs, hunger has been largely eliminated in the United States and significant contribution has been made to reduction of hunger in other lands. Growing farm efficiency has made it possible for a declining number of farmers to produce food for an increasing domestic population for less total dollars. This is no idle achievement in a nation where inflation is the general rule. In terms of progress in the solution of basic human wants, it seems quite likely that the farmers of the United States who produce food have made a greater contribution than any other group in the world during the period beginning in the middle 1930's.

Daggers Against Diplomacy

EXTENSION OF REMARKS

OF

HON. BYRON L. JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. JOHNSON of Colorado. Mr. Speaker, the Members of the Congress should read with interest the report about the Central Intelligence Agency by Charles Edmundson, formerly a reporter for the Fortune magazine, and with the Foreign Service.

This article appeared in the February 1959 issue of the Progressive magazine: THE CENTRAL INTELLIGENCE AGENCY: DAGGERS AGAINST DIPLOMACY

(By Charles Edmundson)

In his recent Saturday Evening Post article, "The Story Behind Quemoy: How We Drifted Close to War," Stewart Alsop tells of the part played by the Central Intelligence Agency in almost starting war with Communist China in 1954 and again in 1958. For the first time a mass-circulation publication revealed that beginning early in 1950 the CIA supported and masterminded "commando-type guerrilla raids on the [Chinese] mainland, which were sometimes mounted in battalion strength."

Alsop does not, of course, tell all of the CIA's activities in heightening tensions in the Far East. But he does describe in detail the role of "Western Enterprises, Inc." (a cover name for the CIA project) in raiding the mainland from Quemoy and the Tachens:

"The Western Enterprises—ostensibly soldiers of fortune—were responsible for organizing and equipping the Nationalist guerrillas who raided the mainland from the offshore islands. . . . Until early 1954, the islands were pretty much their exclusive playground. By that time they had settled

themselves pretty comfortably on the islands."

Although neither the White House nor Congress had yet made up its mind whether the offshore islands belonged to Mao Tse-tung or Chiang Kai-shek, the CIA decided the matter for itself and proceeded with systematic raids against the mainland. The results, direct and indirect, were enough to provoke the brink-of-war crisis of September 1954 and October 1958. The United States and the world were twice taken to the precipice by a secret bureau whose activities are unknown to Congress, the press, and the people until long after the event—if they are ever known.

The raids from Quemoy and the Tachens are not isolated instances of CIA activity. They are representative. As currently operated, the CIA is far more than an intelligence-gathering organization. It is an activist group which steps in boldly to dictate foreign policy in areas not covered by decisions of Congress, the State Department, or the White House. The CIA operates clandestinely in every country in the world, including several where the State Department and the press are forbidden. It executes its projects without concern over the reaction of the public. The incidents it provokes are never acknowledged, yet can be decisive in shaping—or misshaping—public opinion, and foreign policy.

All the machinery of government publicity is used to make CIA-induced incidents serve preconceived domestic ends. The public can thus be propagandized into believing whatever the CIA and its Old Guard allies in the State Department or the military want it to believe.

Not long ago I asked a distinguished career ambassador, "When CIA operatives are at work in the country to which you are accredited don't the incidents which they create shape policy in such a way as to take control largely out of your hands?"

"I couldn't agree with you more," the ambassador replied. He told of CIA activities in his country which had damaged American prestige and influence over a whole continent.

The CIA works under the direction of the National Security Council, the Nation's supreme body in deciding military policy. Chairman of the NSC is the President himself and there are four other members: the Vice President, Secretary of State, Secretary of Defense, and the Director of the Office of Defense Mobilization. The Director of the CIA is not a member, but as its adviser on all intelligence matters he sits in on most important sessions and has a voice in Security Council discussions and decisions.

According to the basic statute, the CIA's functions are limited to gathering and interpreting intelligence. A final catchall clause, however, authorizes the CIA to perform such other functions and duties relating to security intelligence as the National Security Council may direct. This would not appear to authorize the organization of guerrilla raids . . . in battalion strength or the deployment of agents provocateurs in the territory of cold war adversaries. But the CIA has engaged in such activities on a broad scale.

Funds are not lacking for any schemes the CIA may see fit to adopt. In his book, "Central Intelligence and National Security," Harry Howe Ransom, a political scientist at Harvard, quotes estimates of national intelligence expenditures as high as \$2 billion a year. "Several hundreds of millions of dollars annually," he writes, may be budgeted directly to the CIA, with the rest going to the Army, Air Force, Navy, State Department, and several other agencies which also gather intelligence. Nobody knows the exact amount the CIA gets. The Bureau of the Budget is forbidden by law to disclose the figure. Congress itself, carefully blindfolded,